THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE-PATIL): (a) So far 9 States namely, Maharashtra, Punjab, U.P., Rajasthan, Gujarat, Tamil Nadu, Kerala, Andhra Pradesh and Karnataka, have received loans/credits from the World Bank for water supply schemes.

(b) The 2nd Maharashtra Rural Water Supply and Sanitation Project has been framed on the basis of the sector reforms concept in which 10% community contribution towards capital cost of the scheme and 100% maintenance cost by the beneficiaries and community participation in identifying, planning, designing and implementing the scheme are envisaged. The estimated cost of the project is Rs. 1656.20 crores for 16 districts. The project is under appraisal of the World Bank and has not yet been sanctioned.

(c) Government of India being the principal borrower, and the responsibility for repayment remaining with it, there would be no need for giving a separate guarantee.

Low Inflation

572. SHRI P. PRABHAKAR REDDY: Will the Minister of FINANCE be pleased to state:

(a) whether Government's attention has been drawn to the news-item which appeared in the "Business Standard" dated the 15th January, 2002 captioned "Low inflation causing loss of output RBI Report";

(b) if so, whether Government share this perception of the Reserve Bank of India;

(c) if not, what is Government's assessment of the situation thereto; and

(d) the steps proposed to be taken by Government for boosting output and engineering growth?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE-PATIL): (a) to (d) The annual point to point inflation rate (based on Wholesale Price Index) remained close to 5 per cent level in the first six months of 2001-02 (April-September). It started declining only after September to reach a low level of 1.13 per cent in February 2002.

Low inflation rate may be a manifestation of moving towards a more liberalized trade regime. Subdued inflation rate of major trading partner

countries are likely to have a bearing on the domestic economy through increased competition, influencing to some extent the domestic inflation rate.

In recent years relatively low inflation rates registered in 1997-98 (4.4 per cent) and in 1999-2000 (3.3 per cent) was characterized by relatively high industrial growth of 6.7 per cent in both these years.

The Central Government budget for 2002-03 has announced several measures to boost industrial production and investment. These measures have been targeted to improve productivity and competitiveness of Indian industry in general and to boost aggregate demand, improve infrastructure base, upgrade technology, and encourage foreign direct investment flows in particular. These measures are expected to have favourable impact on industrial production and investment.

Lower ceiling on income under section 80-L

573. SHRI P. PRABHAKAR REDDY: Will the Minister of FINANCE be pleased to state:

(a) whether Government have decided to lower the ceiling on the amount of interest income exempted under Section 80-L of the Income Tax Act alongwith the reduction and rationalisation of other tax exemptions;

(b) if so, the details thereof and the reasons therefor; and

(c) whether the effect of this step on the volume of small savings would be considered before taking this decision?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI GINGEE N. RAMACHANDRAN): (a) No, Sir.

(b) Does not arise.

(c) Does not arise.

Assistance to Media/TV companies by Banks/IFCI

574. SHRI SWARAJ KAUSHAL: Will the Minister of FINANCE be please to refer to answer to Unstarred Question 970 given in the Rajya Sabha on 27th November, 2001 and state:

(a) the names of Media/TV companies which have been given financial assistance by way of loans, equity and working capital by the financial Institutions like UTI, IDBI, IFCI and IIBI;